

Greenbook

LBO Analysis of Enacted Budget

Ohio State Board of Pharmacy

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August 2021

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Attachment:

Appropriation Spreadsheet

LBO Greenbook

Ohio State Board of Pharmacy

Quick look...

- The State Board of Pharmacy's primary functions include licensing pharmacists and related professions, licensing sites where dangerous drugs are sold or stored, maintaining Ohio's prescription drug monitoring database, and regulating medical marijuana dispensaries, patients, and caregivers.
- Total budget appropriations: \$18.9 million in FY 2022 and \$19.5 million in FY 2023.
 - Revenue sources: State non-GRF (81.3%) and federal (18.7%).
 - The Board receives no GRF funding.
- The Board oversees approximately 87,000 active licenses.

Fund Group	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Dedicated Purpose Fund (DPF)	\$13,176,476	\$12,609,307	\$15,315,000	\$15,865,000
Federal (FED)	\$2,447,264	\$2,901,027	\$3,585,000	\$3,585,000
Total	\$15,623,737	\$15,510,334	\$18,900,000	\$19,450,000
% change	--	-0.7	21.9%	2.9%

Agency overview

The State Board of Pharmacy (hereinafter the Board), first created in 1884, is responsible for administering and enforcing the Pharmacy Practice Act and Dangerous Drug Distribution Act (R.C. Chapter 4729), the Controlled Substances Act (R.C. Chapter 3719), the Pure Food and Drug Act (R.C. Chapter 3715), the Criminal Drug Law (R.C. Chapter 2925), and the Medical Marijuana Control Program (R.C. Chapter 3796). The services and activities that the Board performs to fulfill those responsibilities can be divided into two distinct programs as follows:

- **Regulation.** (1) Licensing and monitoring of pharmacists, pharmacy interns, pharmacy technicians, terminal and wholesale distributors, and certain home medical equipment providers, (2) enforcing criminal drug laws, and (3) maintaining the Ohio Automated Rx Reporting System (OARRS), an electronic database that collects information on all prescriptions for controlled substances that are issued by licensed prescribers and dispensed by pharmacies in Ohio.
- **Medical Marijuana Control.** Licensing of medical marijuana dispensaries and registration of medical marijuana patients and caregivers.

The Board is a nine-member panel composed of eight pharmacists and one person representing the public who is at least 60 years old. Ninety-six full-time staff manage day-to-day operations.

Analysis of FY 2022-FY 2023 budget

The Board's budget consists of nine appropriation line items (ALIs), five of which are supported by money appropriated from specific funds in the Dedicated Purpose Fund (DPF) Group, and four of which are supported by federal grants or awards. The budget provides a total appropriation of \$18.9 million in FY 2022 and \$19.5 million in FY 2023, of which 81.3% is supported by the DPF Group, and 18.7% by federal funding. Each of the line items is described in more detail below.

Drug Law Enforcement (ALI 887605)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 4A50 ALI 887605, Drug Law Enforcement					
\$16,911	\$147,422	\$76,273	\$14,173	\$50,000	\$50,000
% change	771.8%	-48.3%	-81.4%	257.8%	0.0%

This line item funds expenses the Board incurs in the enforcement of criminal drug laws, including providing training, education, and equipment for investigative staff. The line item draws its appropriations from the Board's share of certain fines and forfeited bonds and bail collected as a result of its drug law enforcement efforts and credited to Fund 4A50.

Operating Expenses (ALI 887609)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 4K90 ALI 887609, Operating Expenses					
\$8,548,861	\$9,162,202	\$9,266,655	\$9,890,489	\$11,750,000	\$12,200,000
% change	7.2%	1.1%	6.7%	18.8%	3.8%

This line item, which draws its appropriations from fees and fines credited to Fund 4K90, is used by the Board to administer and enforce laws governing the legal distribution of dangerous drugs, the practice of pharmacy, and the activities of home medical equipment service providers.

Drug Database (ALI 887612)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 5SG0 ALI 887612, Drug Database					
\$127,773	\$283,710	\$445,584	\$128,912	\$100,000	\$100,000
% change	122.0%	57.1%	-71.1%	-22.4%	0.0%

This line item is used to make improvements to, and increase the utilization of, OARRS. The fund supporting the line item consists of money transferred to the Board under memorandums of understanding (MOU) with the departments of Health and Mental Health and Addiction Services.

Under the MOU with the Department of Health that started in FY 2016, the Department transfers federal grant money to the Board for the purposes of: (1) making certain improvements to OARRS, (2) conducting analyses of prescribing behavior and prescription overdose data, and (3) performing an evaluation study of the requirements of H.B. 341 of the 130th General Assembly.

Under the MOU with the Department of Mental Health and Addiction Services that started in FY 2019, the Department transfers federal grant money to the Board for making certain improvements to OARRS that help address prescription drug overdoses.

Medical Marijuana Control Program (ALI 887613)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 5SY0 ALI 887613, Medical Marijuana Control Program					
\$2,111,650	\$3,324,680	\$3,166,115	\$2,358,914	\$3,150,000	\$3,250,000
% change	57.4%	-4.8%	-25.5%	33.5%	3.2%

This line item is used by the Board to implement H.B. 523 of the 131st General Assembly, which requires the Board and the Ohio Department of Commerce to establish and administer the Medical Marijuana Control Program. The Board is authorized to register patients and caregivers and to issue licenses to medical marijuana dispensaries.

The money for this purpose is appropriated from the Medical Marijuana Control Program Fund (Fund 5SY0), which consists of: (1) \$8.6 million cash transferred from the Controlling Board's Emergency Purposes/Contingencies Fund (Fund 5KM0) over the course of FY 2017-FY 2019, (2) fees collected by the Board to register patients and caregivers and to issue licenses to medical marijuana retail dispensaries, and (3) fees collected by the Department of Commerce to issue licenses to medical marijuana cultivators, processors, and testing laboratories.

Pharmacy Federal Grants (ALI 887614)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
FED Fund 3HDO ALI 887614, Pharmacy Federal Grants					
\$251,058	\$280,666	\$379,835	\$742,120	\$1,050,000	\$1,050,000
% change	11.8%	35.3%	95.4%	41.5%	0.0%

This line item is used by the Board to expend federal project grants awarded to the Board for the purposes of making improvements to, and increasing the use of, OARRS.

OARRS Integration (ALI 658605 and ALI 658601)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 4K90 ALI 658605, OARRS Integration – State					
\$163,455	\$214,242	\$221,846	\$216,818	\$265,000	\$265,000
FED Fund 3HHO ALI 658601, OARRS Integration – Federal					
\$1,546,076	\$2,007,225	\$2,067,429	\$2,050,824	\$2,500,000	\$2,500,000
OARRS Integration Total		\$2,289,275	\$2,267,642	\$2,765,000	\$2,765,000
% change		3.1%	-0.9%	21.9%	0.0%

These two line items are used to fund the Ohio Automated Rx Reporting System (OARRS) integration initiative, an effort under the State Medicaid Health Information Technology Plan to integrate OARRS directly into electronic medical records and pharmacy dispensing systems across the state. Line item 658605, OARRS Integration – State, provides the state match to meet federal grant requirements.

Federal Equitable Sharing (ALI 887615 and ALI 887616)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
FED Fund 3HM0 ALI 887615, Equitable Sharing Treasury					
\$0	\$0	\$0	\$0	\$5,000	\$5,000
FED Fund 3HNO ALI 887616, Equitable Sharing Justice					
\$0	\$0	\$0	\$108,084	\$30,000	\$30,000
Equitable Sharing Total		\$0	\$108,084	\$35,000	\$35,000
% change		--	--	-67.6%	0.0%

The Board uses these two federal line items solely for law enforcement purposes, generally to purchase equipment and supplies (e.g., computers, document scanners), to provide training (e.g., investigative techniques, computer skills), and to support undercover operations (e.g., surveillance equipment).

The funds for these purposes come through the Federal Equitable Sharing Program for cases worked in conjunction with federal law enforcement agencies associated with the departments of Treasury and Justice.

Line Item Detail by Agency			Appropriations			FY 2021 to FY 2022	Appropriations	FY 2022 to FY 2023
			FY 2020	FY 2021	FY 2022	% Change	FY 2023	% Change
Report For: Main Operating Appropriations Bill			Version: As Enacted					
PRX	State Board of Pharmacy							
4A50	887605	Drug Law Enforcement	\$ 76,273	\$ 14,173	\$ 50,000	252.78%	\$ 50,000	0.00%
4K90	658605	OARRS Integration - State	\$ 221,846	\$ 216,818	\$ 265,000	22.22%	\$ 265,000	0.00%
4K90	887609	Operating Expenses	\$ 9,266,655	\$ 9,890,489	\$ 11,750,000	18.80%	\$ 12,200,000	3.83%
5SG0	887612	Drug Database	\$ 445,584	\$ 128,912	\$ 100,000	-22.43%	\$ 100,000	0.00%
5SY0	887613	Medical Marijuana Control Program	\$ 3,166,115	\$ 2,358,914	\$ 3,150,000	33.54%	\$ 3,250,000	3.17%
Dedicated Purpose Fund Group Total			\$ 13,176,473	\$ 12,609,307	\$ 15,315,000	21.46%	\$ 15,865,000	3.59%
3HD0	887614	Pharmacy Federal Grants	\$ 379,835	\$ 742,120	\$ 1,050,000	41.49%	\$ 1,050,000	0.00%
3HH0	658601	OARRS Integration - Federal	\$ 2,067,429	\$ 2,050,824	\$ 2,500,000	21.90%	\$ 2,500,000	0.00%
3HM0	887615	Equitable Sharing Treasury	\$ 0	\$ 0	\$ 5,000	N/A	\$ 5,000	0.00%
3HN0	887616	Equitable Sharing Justice	\$ 0	\$ 108,084	\$ 30,000	-72.24%	\$ 30,000	0.00%
Federal Fund Group Total			\$ 2,447,264	\$ 2,901,027	\$ 3,585,000	23.58%	\$ 3,585,000	0.00%
State Board of Pharmacy Total			\$ 15,623,737	\$ 15,510,334	\$ 18,900,000	21.85%	\$ 19,450,000	2.91%